



# AGRI-VIEW



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AND  
PROSPECTIVE  
PLANTINGS

## MINNESOTA SOYBEAN ACREAGE UP, CORN ACREAGE DOWN

Minnesota **CORN** acreage is estimated at 7.8 million acres, planted for all purposes, down 7 percent from last year's record level of 8.4 million acres. An estimated 7.25 million acres are expected to be harvested for grain.

**SOYBEAN** acreage in Minnesota is estimated at 7.1 million acres planted, up from 6.25 million acres planted last year.

**SPRING WHEAT** planted in Minnesota is estimated at 1.8 million acres, up 6 percent from last year. **WINTER WHEAT** acreage is estimated at 70,000 acres, an increase of 5,000 acres from 2007.

**SUGARBEETS** account for an estimated 425,000 acres, a decrease of 61,000 acres from 2007.

**OAT** planted acreage, estimated at 230,000, is down 15 percent from last year.

**BARLEY** acreage, at 130,000 planted acres, is unchanged from 2007.

**CANOLA** growers planted 18,000 acres, down 13,000 acres from last year.

The state's **ALL SUNFLOWER** acreage, at 127,000 acres, is down 3 percent from last year. **FLAXSEED** acreage is estimated at 5,000 acres, up 1,000 acres from last year.

**ALFALFA** acreage decreased 4 percent from last year, to an estimated 1.1 million acres. **OTHER HAY** acreage is estimated at 600,000 acres, down 18 percent from 2007.

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CROP	Minnesota			United States		
	2007	2008	2008/2007	2007	2008	2008/2007
	--- 1,000 Acres ---		Percent	--- 1,000 Acres ---		Percent
Corn	8,400	7,800	93	93,600	87,327	93
Soybeans	6,250	7,100	114	63,631	74,533	117
All Wheat	1,765	1,870	106	60,433	63,457	105
Spring	1,700	1,800	106	13,297	14,197	107
Winter 1/	65	70	108	44,987	46,605	104
Oats	270	230	85	3,760	3,467	92
Barley	130	130	100	4,020	4,130	103
Sugarbeets	486	425	87	1,269	1,080	85
Dry Beans	150	150	100	1,527	1,398	92
Canola	31	18	58	1,183	1,008	85
All Sunflowers	131	127	97	2,068	2,164	105
Oil	90	90	100	1,764	1,850	105
Non-Oil	41	37	90	304	314	103
Flaxseed	4	5	125	354	340	96
All Hay 2/	1,880	1,700	90	61,625	60,439	98
Alfalfa 2/	1,150	1,100	96	21,670	20,778	96
Other Hay 2/	730	600	82	39,955	39,661	99

1/ Acres planted in preceding fall.

2/ Harvested Acres.

## BIOTECHNOLOGY VARIETIES

The National Agricultural Statistics Service conducts the June Agricultural Survey in all States each year. Randomly selected farmers across the United States were asked if they planted corn, soybeans, or upland cotton seed that, through biotechnology, is resistant to herbicides, insects, or both. Conventionally bred herbicide resistant varieties are excluded. Insect resistant varieties include only those containing bacillus thuringiensis (Bt). The Bt varieties include those that contain more than one gene that can resist different types of insects. Stacked gene varieties include only those containing biotech traits for both herbicide and insect resistance.

### BIOTECHNOLOGY VARIETIES, SELECTED STATES AND UNITED STATES, PERCENT OF ALL PLANTED ACRES, 2007-2008

STATE	Corn								Soybeans	
	Insect Resistant (Bt) Only		Herbicide Resistant Only		Stacked Gene Varieties		All Biotech Varieties		Herbicide Resistant Only	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
	Percent		Percent		Percent		Percent		Percent	
IA	22	16	19	15	37	53	78	84	94	95
MN	26	19	32	29	28	40	86	88	92	91
ND	29	24	37	34	22	31	88	89	92	94
SD	16	7	34	30	43	58	93	95	97	97
WI	19	14	23	26	22	35	64	75	88	90
US	21	17	24	23	28	40	73	80	91	92

### MINNESOTA JUNE 1 ALL SOYBEAN STOCKS DOWN 41 PERCENT FROM LAST YEAR

The Minnesota June 1 Grain Stocks Survey estimated **SOYBEANS** stored in all positions at 82.5 million bushels, down 41 percent from a year earlier. The change in all soybean stocks levels, from June 1, 2007, to June 1, 2008, was the largest one-year drop on record for June, totaling 58 million bushels.

**CORN** stocks in all positions totaled 460 million bushels, virtually unchanged from a year earlier. On-farm storage of 330 million was also unchanged. **ALL WHEAT** stocks in all positions totaled 10.9 million bushels, down 33 percent from June 1, 2007. On-farm stocks, at 1.5 million bushels, accounted for 13.3 percent of the total. All wheat was at its lowest June 1 stocks level on record.

**BARLEY** stocks in all positions totaled 15.3 million bushels, up 73 percent from a year earlier. On-farm stocks of 320 thousand bushels accounted for 2 percent of the total, and was the lowest June 1 on-farm barley stocks level on record. **OAT** stocks in all positions totaled 25.5 million bushels, up 75 percent from a year earlier. On-farm stocks, at 1.9 million bushels, account for 7 percent of the total.

### JUNE 1 MINNESOTA & U.S. GRAIN STOCKS

COMMODITY	ON FARM		OFF FARM		TOTAL ALL POSITIONS		2008/2007 Percent
	2007	2008	2007	2008	2007	2008	

#### -1,000 BUSHELLS- MINNESOTA

<b>CORN</b>	330,000	330,000	130,214	130,432	460,214	460,432	100
<b>SOYBEANS</b>	91,000	43,000	49,423	39,522	140,423	82,522	59
<b>ALL WHEAT</b>	4,400	1,450	11,796	9,424	16,196	10,874	67
<b>BARLEY</b>	600	320	8,273	14,991	8,873	15,311	173
<b>OATS</b>	2,450	1,900	12,171	23,645	14,621	25,545	175

#### UNITED STATES

<b>CORN</b>	1,826,600	1,970,900	1,706,843	2,057,117	3,533,443	4,028,017	114
<b>SOYBEANS</b>	500,000	226,600	592,185	449,491	1,092,185	676,091	62
<b>ALL WHEAT</b>	73,190	25,635	382,963	279,983	456,153	305,618	67
<b>BARLEY</b>	14,580	9,950	54,300	58,275	68,880	68,225	99
<b>OATS</b>	18,400	16,100	32,198	50,704	50,598	66,804	132

## MINNESOTA HOG INVENTORY UP 1 PERCENT FROM MARCH

Minnesota hog producers had an inventory of 7.60 million hogs and pigs on June 1, 2008, up 9 percent from last year and up 1 percent from the March 1, 2008, figure of 7.50 million. This is a record high inventory for June 1. Breeding hogs totaled 580 thousand head, down 5 percent from a year earlier. Market hogs and pigs, at 7.02 million head, were up 10 percent from a year ago.

Minnesota's March 2008-May 2008 pig crop totaled 2.76 million head, up 2 percent from a year earlier, and up 5 percent from the December 2007-February 2008 pig crop. This is a record high pig crop for the March-May quarter. The 290 thousand sows that farrowed averaged 9.50 pigs per litter, up from 9.35 a year ago.

Hog producers in Minnesota intend to farrow 280 thousand sows during the June-August 2008 quarter. If realized, this would be down 5 percent from the same period a year earlier. Producers also intend to farrow 280 thousand sows during the September-November 2008 quarter. If realized, this would be down 5 percent from the same period in 2007.

## FARROWING INTENTIONS

STATE	SOWS TO FARROW			
	Jun '08-Aug '08	as % of 2007	Sep '08-Nov '08	as % of 2007
	<u>1,000</u>	<u>Pct.</u>	<u>1,000</u>	<u>Pct.</u>
AR	47	102	46	105
CO	87	105	85	102
IL	230	94	235	96
IN	140	93	140	90
IA	520	108	520	96
KS	85	94	84	94
MI	52	95	52	98
<b>MN</b>	<b>280</b>	<b>95</b>	<b>280</b>	<b>95</b>
MO	190	97	185	95
NE	190	95	190	97
NC	560	97	550	96
OH	88	102	86	100
OK	190	97	190	100
PA	43	90	43	84
SD	80	96	81	90
TX	50	86	51	88
WI	23	88	23	88
Other States 1/	215	99	211	98
US	3,070	98	3,052	96

1/ Individual State estimates not available for the 33 other States.

## JUNE 1, 2008, HOG INVENTORIES AND MARCH-MAY 2008 FARROWINGS

STATE	TOTAL		BREEDING		MARKET HOGS & PIGS				TOTAL		SOWS FARROWED MARCH-MAY 2008			
	Number	2008 as % of 2007	Number	2008 as % of 2007	Under 60 Pounds	60-119 Pounds	120-179 Pounds	180+ Pounds	Number	2008 as % of 2007	Number	2008 as % of 2007	Pigs Per Litter	Pig Crop 1/
	<u>1,000</u>	<u>Pct.</u>	<u>1,000</u>	<u>Pct.</u>	<u>-----1,000-----</u>				<u>1,000</u>	<u>Pct.</u>	<u>1,000</u>	<u>Pct.</u>	<u>Number</u>	<u>1,000</u>
AR	310	107	95	112	160	20	15	20	215	105	45	107	9.80	441
CO	770	92	150	100	320	115	70	115	620	90	82	103	8.85	726
IL	4,350	109	440	100	1,420	990	850	650	3,910	110	230	100	9.35	2,151
IN	3,700	110	300	97	1,240	880	670	610	3,400	112	145	104	9.10	1,320
IA	19,400	107	1,090	101	5,500	4,910	4,450	3,450	18,310	107	530	110	9.35	4,956
KS	1,790	94	160	97	550	325	275	480	1,630	94	80	91	9.10	728
MI	1,030	100	100	91	330	230	185	185	930	101	53	100	9.70	514
<b>MN</b>	<b>7,600</b>	<b>109</b>	<b>580</b>	<b>95</b>	<b>2,760</b>	<b>1,760</b>	<b>1,470</b>	<b>1,030</b>	<b>7,020</b>	<b>110</b>	<b>290</b>	<b>100</b>	<b>9.50</b>	<b>2,755</b>
MO	3,150	103	375	100	1,330	565	475	405	2,775	104	195	100	9.40	1,833
NE	3,400	108	360	100	1,130	810	650	450	3,040	109	190	103	9.60	1,824
NC	10,100	104	1,020	100	3,700	2,150	1,760	1,470	9,080	105	560	100	9.35	5,236
OH	1,900	114	165	100	650	435	400	250	1,735	115	89	107	9.40	837
OK	2,360	102	360	100	1,000	300	230	470	2,000	102	185	95	9.45	1,748
PA	1,180	105	95	95	330	315	235	205	1,085	106	43	96	9.45	406
SD	1,440	112	150	103	485	305	260	240	1,290	113	86	118	9.70	834
TX	1,080	108	110	100	325	225	200	220	970	109	52	106	8.60	447
WI	400	98	45	90	140	90	60	65	355	99	26	100	9.10	237
Other Sts 2/	3,701	102	474	98	1,217	742	652	616	3,226	103	211	96	9.53	2,007
US	67,661	106	6,069	99	22,587	15,167	12,907	10,931	61,591	107	3,092	102	9.38	29,000

1/ Number of pigs born March-May that were on hand June 1, or had been sold.

2/ Other States estimates include 33 remaining States.

**Analysis of June 30, 2008, Stocks and Acreage Reports**  
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The June 30, 2008, reports included Grain Stocks, Acreage, and a Revised Supply/Demand outlook (WASDE). The grain stocks reports indicated that corn stocks were 4.03 billion bushel as of June 1, 2008. This was up 14% from last year at this time. Of this total, 1.97 billion bushel were stored on farm, with off-farm stocks listed at 2.06 billion bushel. These totals were up 8% and 21%, respectively. Disappearance for the period from March to May, 2008, was 2.83 billion bushel, compared to 2.53 billion bushel from last year. This suggests that the higher prices are not rationing supplies at this point.

Soybean stocks as of June 1, 2008, were 676 million bushel, down 38% from last year. Of this total, 227 million bushel were stored on farms, with 449 million bushel stored off-farm. These totals were down 55% and 24%, respectively. Disappearance for the March to May, 2008, period was 758 million bushel, up 9% from last year. Again, the higher prices do not appear to be curtailing demand at this point. Wheat stocks as of June 1, 2008, were 306 million bushel, down 33% from last year. On-farm stocks were listed as 25.6 million bushel, with off-farm stocks at 280 million bushel. These totals were down 65% and 27%, respectively. March to May disappearance of wheat was 404 million bushel, up 1% from last year.

So how do these numbers compare to the trade estimates coming into the report? It appears that the trade expected corn stocks to be in the range of 3.5 to 4.0 billion bushel. Therefore, the number at the upper end of the range had a negative influence. Corn prices at the time of this writing are down \$0.14/bushel. Soybeans stocks estimate averaged 662 million bushel, so the actual stocks were at 676 million bushel, which were slightly higher than the average but within the range expected from 600-720 million bushel. Wheat estimates averaged 275 million bushel, with a range from 245 to 315 million bushel. The actual stocks, at 306 million bushel, were in the upper part of the expected range.

The planted acreage numbers were reported at follows: Corn - 87.3 million acres, down 7 % from last year. The trade expected 85.7 million acres with a range of 83.5 to 87.4 million acres. This number was in the top of the expected range. Soybeans - 74.5 million acres, up 17% from last year. Only 79 % of these acres were planted as of the report date. The trade was expecting 74.26 million acres, with a range of 72 to 78 million acres. Spring wheat acreage was 14.2 million acres, about the same as the 14.3 million acre trade guess, and within the range of 14 to 14.5 million acres. Both reports highlight the uniqueness of the planting and storage season. Changes in weather and other factors since June 1 may indicate that some of the expected replanting of corn may be switched to soybeans or other crops in wet areas. In Iowa, 4 million acres have been affected by flooding.

So what does this mean for prices ahead? The WASDE projections keep ending stocks of corn at 673 million bushel, down 90 million bushel from last month, and 760 million bushel below last year. This is an extremely tight supply/demand scenario. Now as the focus shifts to weather and crop conditions, it may well be that under weather stress, prices will rally to double digits. The average price expected this year, however, is \$5.30 to \$6.30 per bushel. Assuming an average of \$5.80 per bushel and the normal seasonal increase of 15-20%, the upper end of prices can be in the \$7.50 - \$9.00 range. Soybeans ending stocks were affected by reductions in beginning and ending stocks. The expected stocks are 175 million bushel, down 10 million bushel from last month. This is also a tight stocks level, conducive to high prices. Some curtailment of bio-diesel production has occurred in response to these high prices. It is worthy of note that global soybean production is expected to be up 31.6 million tons in response to higher prices. Wheat ending stocks are expected to be 487 million bushel, up 5 million from last month. Again, global wheat production is expected to be up by 6.9 million tons. In summary, the weather outlook and perceived demand in response to prices will shape the markets over the next several months.

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